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INDONESIA

- I. Continuing Moslem opposition to Communist participation in government has caused formateur Suwirjo to fail in forming a "business cabinet". He returned his mandate to Sukarno on 2 April.**
- A. Sukarno says he will take "further action" in next few days.**
 - B. May appoint a new formateur, or head "presidential cabinet" (as demanded by his opponents).**
- 25X1C C. [REDACTED] Sukarno has threatened to arrest leading political opponents and rule as a military dictator.**
- II. Army, which has been assuming increasingly important role in running the country, has launched an "anti-corruption" drive which appears designed to intimidate anti-Sukarno elements.**
- A. At least 30 prominent political leaders, most of whom are known to oppose Sukarno's "concept", are being investigated and interrogated by army and police.**
 - B. Two prominent Moslem leaders (one NU, one Masjumi) have been arrested on suspicion of corruption.**
- III. Meanwhile, abortive 31 March counter-coup in South Sumatra appears to have been effort by Army officers of Javanese extraction to restore central government control.**
- A. Action may have been set off by Sukarno's recent visit to South Sumatra as well as by reports of weakening of autonomous movement in Central Sumatra.**
 - B. This counter-movement may foreshadow similar attempts, stimulated by Sukarno, in other dissident areas.**